Interim Financial Report
1st semester 2018

HiPay Group
Public limited company with a capital of
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INTERIM MANAGEMENT REPORT

Presentation of earning for the first half of 2018

Comments concerning the consolidated income statement

The turnover shows a growth of 12% at €12 984 thousand compared to the first semester 2017.

Direct costs have risen by 16% at €6 152 thousand, in line with the payment volumes processed over the period. Payroll charges have increased by 39% at €5 747 thousand following the steady investments made by HiPay in its teams. The headcount at June 30th, 2018 amounted to 159, compared to 128 a year earlier.
Overhead expenses are stable at €3 342 thousand.
Depreciation, amortization and provisions amount to €1 268 thousand euros, and relate mainly to the amortization of investments in intangible assets made for the development of the Hipay technology platform.
Current operating income amounts to €-3 525 thousand, compared to €-2 108 thousand in the first half of 2017.
Consolidated net income amounts to €-4 192 thousand (compared to €-2 726 thousand in in the first half of 2017), after taking into account an income tax of €-259 thousand (against €-184 thousand in the first half of 2017) ;

Significant events over the period

A bank loan was contracted on January 12th, 2018 to finance the works carried out in the new premises.

In accordance with the Mobiyo SAS share purchase and sale agreement concluded on July 28th, 2017, the initial sale price was adjusted to take into account the net financial debt. Under the price adjustment formula, the adjusted price is €2,055 thousand.

Regarding the earn-out, the company has a financial asset of € 2 million corresponding to its best case, unchanged from December 31st , 2017, of the additional payments related to the 2018 to 2020 results of the divested business.

Prospects

HiPay Group, on line with first semester, should continue 2018 on a sustained growth rate of turnover.

Main risks and uncertainties characterizing the second half of 2018

The main risks to which the Group is exposed are described in the Management Report and Corporate Governance on pages 30 and following of the 2017 Annual Report.The Company is not aware of other risks and uncertainties affecting the Group.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statements on June 30th, 2018 and on June 30th, 2017

in thousands of Euros	Notes	June 30th, 2018	June 30th, 2017 published
Sales		**12 984**	**11 579**
Direct costs		- 6 152	- 5 287
Payroll charges	Note 3	- 5 747	- 4 142
General expenses		- 3 342	- 3 373
EBITDA [1]		**- 2 257**	**- 1 223**
Depreciation and amortization		- 1 268	- 885
Current operating profit		**- 3 525**	**- 2 108**
Stock based compensation [2]		- 44	- 90
Other non-current income and charges		- 91	-
Operating profit		**- 3 660**	**- 2 198**
Other financial income and charges	Note 4	- 274	24
Earning of the consolidated companies		**- 3 935**	**- 2 174**
Share in the earnings of the companies treated on an equity basis		-	-
Earnings before tax of the consolidated companies		**- 3 935**	**- 2 174**
Income Tax	Note 5	- 259	- 184
Net income of the consolidated companies		**- 4 194**	**- 2 358**
Including minority interests		0	30
Including Group share		**- 4 194**	**- 2 388**
Net income from discontinued operations		**-**	**- 338**
Including minority interests		-	-
Including Group share		**-**	**- 338**
Activities discontinued / In the process of being sold		-	- 338
Net income		**- 4 194**	**- 2 696**
Including minority interests		0	30
Including Group share		**- 4 194**	**- 2 726**

(1) *Current operating income before allowances and reversals of depreciation, amortisation and provisions.*
(2) *Completion of the 2015 plan*

Earnings per share from continuing operations :

	June 30th, 2018	June 30th, 2017 published
Weighted average number of ordinary shares	4 954 974	4 954 974
Earnings per share, Group share (in euro)	-0,85	-0,48
Weighted average number of ordinary shares (diluted)	4 954 974	4 954 974
Diluted earnings per share, Group share (in euro)	-0,85	-0,48

in thousands of euro	June 30th, 2018	June 30th, 2017 published
Net result	**- 4 194**	**- 2 726**
Other element of the global result		
Elements recycled in net result		
- Translation adjustments	2	1
- Other	-	-
- Taxes on other elements of the global result	-	-
Elements not recycled in net result		
- Actuarial gain and losses related to post-employment benefits	-	-
Other elements of the global result, net of tax	**2**	**1**
Group share	-	1
Minority interests	-	-
Global result	**- 4 192**	**- 2 726**

ASSETS - *in thousands of Euros*	Notes	June 30th, 2018	Dec 31st, 2017 published
Net Goodwill	Note 6	40 222	40 222
Net intangible fixed assets	Note 7	4 544	4 587
Net tangible fixed assets	Note 8	1 095	867
Deferred tax assets	Note 9	1 429	1 429
Other financial assets	Note 10	2 224	2 154
Non-current assets		**49 514**	**49 259**
Receivables and other debtors	Note 11	528	248
Other current assets	Note 12	45 710	44 065
Cash and cash equivalents	Note 13	4 407	7 987
Current assets		**50 645**	**52 300**
TOTAL ASSETS		**100 159**	**101 560**

LIABILITIES - in thousands of Euros	Notes	June 30th, 2018	Dec 31st, 2017 published
Share capital		54 505	54 505
Premiums on issue and on conveyance		15 495	15 495
Reserves and retained earnings		- 19 097	- 14 577
Consolidated net income (Group share)		- 4 194	- 4 559
Shareholders' equity (Group share)		**46 709**	**50 864**
Minority interests		- 0	- 0
Shareholders' equity		**46 709**	**50 864**
Long-term borrowings and financial liabilities	Note 14	2 532	1 161
Non-current Provisions		773	552
Deferred tax liabilities		2	2
Non-current liabilities		**3 307**	**1 715**
Suppliers and other creditors		5 799	5 958
Other current debts	Note 15	44 345	43 023
Current liabilities		**50 144**	**48 981**
TOTAL LIABILITIES		**100 159**	**101 560**

Consolidated cash flow statement on June 30th, 2018, on December 31st, 2017 and on June 30th, 2017

in thousands of Euros	Notes	June 30th, 2018	Dec 31st, 2017 published	June 30th, 2017 published
Net income		- 4 194	- 4 545	- 2 358
Adjustments for:				
Depreciation of the fixed assets		1 258	1 942	895
Other non curent elements without impact on the cash		91	66	-
Financial income and charges		3	4	4
Result on sale of equity securities		239	- 403	-
Net income on disposals of fixed assets		-	0	- 20
Costs of payments based on shares		44	138	90
Tax charge or proceeds	Note 5	259	317	184
Operating profit before variation of the operating capital need and provisions		- 2 298	- 2 481	- 1 205
Variation of the operating capital need		- 1 381	1 993	498
Cash flow resulting from operating activities		- 3 679	- 488	- 707
Interest paid		- 3	- 4	- 4
Tax on earnings paid		121	- 861	- 349
Net Cash Flow Resulting From continuing Operating Activities		**- 3 562**	**- 1 353**	**- 1 060**
Net Cash Flow Resulting From operating activities of divested operations		**-**	**327**	**752**
Net Cash Flow Resulting From Operating Activities		**- 3 562**	**- 1 026**	**- 308**
Acquisition of a subsidiary, after deduction of cash acquired		-	-	-
Acquisition of fixed assets		- 1 318	- 3 410	- 1 265
Variation of financial assets		- 70	505	-
Effect of the perimeter variations		-	2 402	-
Net Cash Flow Resulting From continuing investing Activities		**- 1 388**	**- 503**	**- 1 265**
Net Cash Flow Resulting From operating investing of discontinued operations		**-**	**- 666**	**- 431**
Net Cash Flow Resulting From Investing Activities		**- 1 388**	**- 1 169**	**- 1 696**
Repurchase of own shares		-	520	520
Minority transactions		-	- 301	-
New borrowings		1 371	1 161	-
Dividends paid to minority interests		-	- 28	-
Net Cash Flow Resulting From continuing Financing Activities		**1 371**	**1 352**	**520**
Net Cash Flow Resulting From Financing Activities		**1 371**	**-**	**520**
Effect of exchange rates variation		- 1	-	- 1
Net Variation Of Cash And Cash Equivalents from continuing Activities		- 3 580	- 504	- 1 805
Net Variation Of Cash And Cash Equivalents from divested operations		-	- 339	321
Cash and cash equivalents on January 1st		7 987	8 831	8 831
Cash And Cash Equivalents At The End Of The Period		**4 407**	**7 987**	**7 347**

Statements of changes in combined shareholders equity on June 30th, 2018 and June 30th, 2017

in thousands of euro	Number of shares	*Share capital*	*Premiums*	*Transactions with HiMedia (1)*	*Treasury shares*	*Reserve for options and free shares*	*Income and expenses on equity*	*Reserves and consolidated earnings*	Shareholders' equity (Group share)	Shareholders' equity *Minority Interests*	*Shareholders' equity*
December 31, 2016	**4 954 974**	**54 505**	**15 495**	**7 035**	**- 465**	**276**	**- 702**	**- 21 220**	**54 925**	**152**	**55 076**
IFRS 15	**0**	-	-	-	-	-	-	-	-		-
January 1st, 2017	**4 954 974**	**54 505**	**15 495**	**7 035**	**- 465**	**276**	**- 702**	**- 21 220**	**54 925**	**152**	**55 076**
Stock options and free shares impact	0	-	-	-	-	90	-	-	90	-	90
Shares redemptions	0	-	-	-	465	-	-	-	465	-	465
Perimeter variation	0	-	-	-	-	-	-	-	-	-	-
Income and charges directly posted in shareholders' equity	0	-	-	-	-	-	1	-	1	-	1
Net income of the period	0	-	-	-	-	-	-	- 2 726	- 2 726	30	- 2 696
Global result	0	-	-	-	-	-	1	- 2 726	- 2 726	30	- 2 695
June 30, 2017	**4 954 974**	**54 505**	**15 495**	**7 035**	-	**366**	**- 701**	**- 23 946**	**52 754**	**183**	**52 936**
Stock options and free shares impact	0	-	-	-	-	48	-	-	48	-	48
Shares redemptions	0	-	-	-	-	20	-	-	20	-	20
Dividends paid to the minorities	0	-	-	-	-	-	-	-	-	- 28	- 28
Perimeter variation	0	-	-	-	-	-	-	- 127	- 127	- 176	- 303
charges directly posted in shareholders' equity	0	-	-	-	-	-	2	-	2	-	2
Net income of the period	0	-	-	-	-	-	-	- 1 832	- 1 832	21	- 1 812
Global result	0	-	-	-	-	-	2	- 1 832	- 1 830	21	- 1 810
December 31, 2017	**4 954 974**	**54 505**	**15 495**	**7 035**	**- 0**	**434**	**- 699**	**- 25 906**	**50 864**	**- 0**	**50 863**
Stock options and free shares impact	0	-	-	-	-	44	-	-	44	-	44
Shares redemptions	0	-	-	-	-	-	-	-	-	-	-
Dividends paid to the minorities	0	-	-	-	-	-	-	-	-	-	-
Perimeter variation	0	-	-	-	-	-	-	-	-	-	-
Income and charges directly posted in shareholders' equity	0	-	-	-	-	-	- 5	-	- 5	-	- 5
Net income of the period	0	-	-	-	-	-	-	- 4 194	- 4 194	0	- 4 194
Global result	0	-	-	-	-	-	- 5	- 4 194	- 4 199	0	- 4 199
June 30, 2018	**4 954 974**	**54 505**	**15 495**	**7 035**	**- 0**	**478**	**- 704**	**- 30 100**	**46 709**	**- 0**	**46 709**

(1) *Transactions with HiMedia S.A. are mainly legal restructuring due to the contribution of HPME shares, capital increase of HiPay S.A.S. and HiPay Mobile Espana SL.*

The Company terminated the liquidity contract during the first quarter of 2017.

Notes concerning the group's summary consolidated interim financial statements

Note 1. Accounting principles and methods

1.1. Entity presenting the financial statements

Intermediary financial consolidated statements of Hipay Group include the accounts of HiPay Group S.A. and its subsidiaries (together referred to as "the Group"). They are presented in thousands of euros.

The head office of the Company is located at 94, rue de Villiers – 92300 Levallois Perrret.

1.2. Basis of the consolidated financial statements

Persuant to the European regulation n° 1606/2002 of July 19th 2002, the Group's consolidated financial statements have been prepared in accordance with IAS 34 - Financial Reporting Standard IFRS as adopted in the European Union. These International Accounting Standards are made of the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations, which were adopted on the June 30th, 2018 by the European Union (publication in the Official Journal of the European Union).

The condensed consolidated financial statements for the six months ended June 30th, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated financial statements for the six months ended June 30th, 2018 and the accompanying notes have been drawn up under the responsibility of the Board of Directors and adopted at its meeting on July 24th, 2018. They were subject to a limited review by the statutory auditors.

1.3. Accounting principles and evaluation methods

HiPay Group has applied the same accounting methods as in its consolidated financial statements for the financial year ending on December 31st, 2017, except for standards, amendments and interpretations applicable for the first time on January 1st, 2018.

Standards, amendments and interpretations, whose application is mandatory on January 1st, 2018:

The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1st, 2017, had no major impact on the Group's financial statements:

- Amendments IFRS 2 "Classification and valuation of share-based payments"
- Annual Improvements to IFRS in the 2014 - 2016 cycle - Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 28 "Investments in Associates and Joint Ventures"
- Annual Improvements to IFRS in the 2014 - 2016 cycle - Amendments to IFRS 12 "Disclosure of Interests in Other Entities"
- Amendements to IAS 7 "Disclosure initiative"
- IFRS 9 and amendments to IFRS 9 "Financial Instruments: Classification and Measurement of financial assets, fair value option for financial liabilities and hedge accounting", applicable as of January 1st, 2018
- Amendements to IAS 12 – Income Taxes
- IFRS 15 and additions to IFRS 15 - (Amendments, clarifications) "Revenue from Contracts with Customers" applicable as of January 1st, 2018

IFRS 15

As of January 1st, 2018, HiPay Group adopted the new standard IFRS 15 "Revenue from Contracts with Customers" published by the European Union on September 22th, 2016, including the clarifications published on October 31st, 2017. The Group adopted the full retrospective transition method with restatement of the comparative year 2017 and recognition of the cumulative impact in the equity at January 1st, 2017

IFRS 15 sets out very structuring principles for revenue recognition based on an analysis in five successive stages: identification of the contract, identification of the different performance obligations, determination of the overall price of the contract, allocation of the overall price for each performance obligation, recognition of revenue and related costs when a performance obligation is satisfied.
IFRS 15 also changes the applicable principles and indicators to determine whether the Group is required to present transactions in the income statement as "principal" on a gross basis or as "agent" on a net basis. being then presented for the amount invoiced to the customer net of the amount invoiced by the supplier.

The group has therefore implemented an analysis based on the principles and indicators of the standard to know if the entity acts on its own account (principal) throughout the chain of services rendered to the commercial sites or as an agent on a part of the chain.

Financial flows from end consumers via acquiring banks correspond to sales of goods or services made by internet and merchant websites. The amounts transiting through HiPay's accounts are thus sums collected on behalf of third parties.

HiPay provides comprehensive services for retail chains, enabling them to offer a variety of payment scenarios to their customers. HiPay Group handles the processing, acquisition and collection of financial flows from sales to end consumers on behalf of merchants.

HiPay charges merchants in the form of flat rates and commissions based on sales flows.

HiPay has developed a unique technology solution that allows it to aggregate a large number of payment methods, to work with various access providers and acquirers, to provide the entire value chain with an innovative solution.

HiPay is responsible for providing end-to-end processing, acquisition and collection to its customers and establishes selling prices for the entire value chain. The contract with the website does not distinguish the different stages of the payment process. Only one performance obligation is identified.

HiPay then acts as Principal for all of its services: the amounts invoiced by Hi-Pay for its services are thus recognized as revenue.

As a result, the application of IFRS 15 did not have an impact on the group accounts.

IFRS 9

On July 24th, 2014, the IASB issued the final version of "IFRS 9 - Financial Instruments", comprising the three phases that made up the project (classification and measurement, impairment and hedge accounting). IFRS 9 has been approved by the European regulation of November 22th 2016.

HiPay Group has adopted IFRS 9 as of January 1st, 2018, without restating the comparative year 2017, as permitted by this text. The application of this new standard did not have a significant impact on opening equity at January 1st, 2018.

IFRS 9 has modified IAS 39 mainly in three parts:

Component 1: classification and valuation of financial instruments;
Component 2: impairment of financial assets; and
Stream 3: hedge accounting.

The retrospective application of component 1 "classification and measurement of financial instruments" did not have a significant impact on the Group's accounting methods for the valuation of financial assets and financial liabilities held on January 1st, 2018.

The implementation of the new "impairment of financial assets" section, which replaces IAS 39's "losses incurred" model with that of "expected credit losses", does not have a material impact for the Group as at January 1st, 2018. and in the first half of 2018 given the low level of trade receivables.

As the Group does not have any financial instruments for which hedge accounting is applied, the latter component has no impact for the Group.

Early application

On June 30th, 2018, the Group has not applied by anticipation new standards or interpretations.

Standards issued by the IASB whose application is not mandatory

The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1st, 2018:

- IFRS 16 – "Leases" applicable from January 1st, 2019.

1.4. Use of estimates and judgments

The preparation of the financial statements in accordance with the IFRS standards requires Management to take into account estimates and assumptions for the determination of the amounts posted of certain assets, liabilities, income and charges, and of information provided in the notes relating to some assets and liabilities, in particular :

- The goodwill and the impairment tests,
- The intangible assets,
- The deferred tax assets,
- Depreciations of receivables
- The provisions for risk and charges

The estimates and underlying assumptions are based on past experience and other factors considered reasonable in light of the circumstances. They are thus used as the basis for the exercise of the judgment necessary for the determination of the book values of assets and liabilities, which cannot be obtained directly from other sources. Considering the uncertainty of these valuation procedures, the definitive amounts may prove to be different from the ones initially estimated.

The estimates and the underlying assumptions are continuously reconsidered. The impact of the changes in accounting estimates is directly accounted for during the period of the change if it only affects that period, or during the period of change and in subsequent periods if they are also affected by the change. As at June 30th, 2018, the accounting estimates are identical to those applied at December 31st, 2017.

Note 2. Consolidation scope

Company name	Country	30 June 2018 % Interest	31 Dec 2017 % Interest	Consolidation method	Legal form	Date of creation / acquisition	Closing dates
Hipay Group SA	France	100%	100%	FC	parent company	16.03.15	31.12
HPME SA	Belgium	100%	100%	FC	subsidiary	08.05.08	31.12
HiPay Payment do Brasil LTDA	Brasil	100%	100%	FC	subsidiary	16.11.11	31.12
HiPay Portugal LDA	Portugal	100%	100%	FC	subsidiary	22.01.15	31.12
HiPay LLC	USA	100%	100%	FC	subsidiary	10.02.16	31.12
Stichting	Netherlands	100%	100%	FC	Foundation	10.04.12	31.12
Hipay SAS	France	100%	100%	FC	subsidiary	08.02.06	31.12

New entry into the consolidation scope: Stiching Foundation Payments HPME (not significant since its creation).

Note 3. Payroll charges

The breakdown of the payroll charges between salaries, social security charges and provisions for end-of-career indemnities are as follows :

in thousands of Euros	June 30th, 2018	June 30th, 2017 published
Salaries	3 851	2 987
social security charges	1 880	1 144
Provision for end of career indemnities	15	11
Payroll charges	**5 747**	**4 142**

Average staff changes are as below :

	June 30th, 2018	June 30th, 2017 published
Average staff	159	128

Note 4. Financial result

in thousands of Euros	June 30th, 2018	June 30th, 2017 published
Financial incomes	4	31
Financial expenses	-278	-6
Financial net result	**-274**	**24**

On June 30th, 2018, financial result items mainly correspond to the adjustment of the Mobiyo sale price (€379 K) and expenses related to Mobiyo (€ 618K).

Note 5. Tax on profit and loss

The tax expense can be analysed as shown below:

in thousands of Euros	June 30th, 2018	June 30th, 2017 published
Current taxes	- 259	- 147
Deferred taxes	-	- 37
Tax (charge)/Proceeds	**- 259**	**- 184**
Effective tax rate (%)	*-7%*	*-8%*

The discrepancy between the effective tax rate and the theoretical tax rate can be analysed as shown below:

in thousands of Euros	June 30th, 2018	June 30th, 2017 published
Tax rate in France	**33%**	**33%**
Theoretical tax (charge)/proceeds	1 312	725
Elements concerning the comparison with the effective rate:		
Effect on rate modification	-	-
Difference of tax rate between the countries	32	- 151
Effect of non-asset deficit transfers from the fiscal year	- 1 487	- 1 134
Permanent differences and other elements	- 30	425
Taxes without basis	- 86	- 49
Real tax (charge)/proceeds	**- 259**	**- 184**
Effective tax rate	*-7%*	***-8%***

On June 30th, 2018, the effective tax rate results primarily from non recognized deferred taxes on HiPay Group SA and Hipay SAS tax losses.

Note 6. Goodwill

At June 30th, 2018, goodwill amounted to €40.2 million in gross and net value. It corresponds to the goodwill of the payment activity. Following the sale of the micro-payment activity at the end of July 2017, the group has only one cash-generating unit (CGU).

At June 30th, 2018, the group did not identify an impairment loss for this business, considering the sustained growth of the payment market and that HiPay's results are in line with the budget.

Note 7. Intangible assets

The development expenses activated during the period are shown on the lines "Software and licences" and "Fixed assets in progress", and correspond primarily to:

- Business Intelligence platform developments,
- Integration of new payment methods on our payment platforms,
- Developments of our internal tools (invoicing tools, sales management tools…).

The changes to the gross values of the intangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	Transfer	Increase	Decrease	June 30th, 2018
Software and licenses	12 032	1 135	-250	-0	12 918
Trademarks	51	-	-	-	51
Fixed assets in progress	580	-1 135	1 228	-	673
Other	169	-	4	-	173
Total	**12 832**	**-**	**982**	**-0**	**13 814**

The changes to the accumulated depreciation and impairment of the intangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	Transfer	Increase	Decrease	June 30th, 2018
Software and licenses	- 8 093	-	- 1 025	0	- 9 118
Trademarks	- 1	-	-	-	- 1
Fixed assets in progress	-	-	-	-	-
Other	- 152	-	-	-	- 152
Total	**- 8 245**	**-**	**- 1 025**	**0**	**- 9 270**

The changes to the net values of the intangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	June 30th, 2018
Software and licenses	3 939	3 799
Trademarks	50	50
Fixed assets in progress	580	673
Other	17	21
Total	**4 587**	**4 544**

Note 8. Tangible fixed assets

The changes to the gross values of the tangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	Increase	Decrease	June 30th, 2018
Fittings & installations	597	239	-	836
Office equipment and computer hardware	1 339	42	-2	1 380
Furniture	129	55	-	184
Total	**2 064**	**337**	**-2**	**2 399**

The changes to the accumulated depreciation and impairment of the tangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	Increase	Decrease	June 30th, 2018
Fittings & installations	-14	-39	-	-53
Office equipment and computer hardware	-1 149	-56	1	-1 204
Furniture	-35	-12	-	-47
Total	**-1 198**	**-108**	**1**	**-1 305**

The changes to the net values of the tangible fixed assets are shown below :

in thousands of Euros	Dec 31st, 2017 published	June 30th, 2018
Fittings & installations	583	782
Office equipment and computer hardware	190	176
Furniture	94	137
Total	**867**	**1 095**

Note 9. Deffered Taxes

On June 30th, 2018, deferred taxes are mainly composed of deferred tax assets relating to loss carryforwards of HiPay SAS.

On June 30th, 2018, the balance of non activated loss carryforwards for the HiPay Group amounts to €12.8 million (in base).

Note 10. Other financial assets

On June 30th, 2018, the other financial assets break down as follows :

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
Other securities	-	-
Other financial current	2 000	2 000
Deposits and sureties	224	154
Total	**2 224**	**2 154**

Other financial assets correspond to the estimated amount of the price supplement linked to the sale of the micropayment activity for €2 million.

Note 11. Customers and other debtors

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
Receivables and invoices to be established	533	248
Depreciation	-5	-
Receivables and other debtors	**528**	**248**

The net book value shown above represents the maximum exposure to credit risk on this item.

Note 12. Other current assets

All other current assets mature at under one year.

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
Tax assets	4 494	3 960
Prepaid charges	261	203
Factor guarantee fund	-	-
Available cash balance	39 936	39 082
Other	1 019	821
Other current assets	**45 710**	**44 065**

The tax and social assets item consists primarily of VAT receivables and debts to social and fiscal institutions.

Available cash balance amounts to €39.9 million at June 30th, 2018, compared with €39.1 million at December 31st, 2017, and relate to the financial commitments resulting from the issuance of electronic money and funds collected on behalf of merchants (see note 15 Other debts and current liabilities).

In compliance with current regulation, cash received for the execution of a payment transaction – or cash collected in consideration of the issuance of electronic money for HPME – is invested in one or several accounts specifically opened for this purpose in a credit institution authorised in a Member State of the European Community or in another State that is part of the European Economic Area agreement.

Note 13. Cash and cash equivalents

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
"OPCVM" fund shares	1 200	2 551
Liquid assets	3 207	5 436
Cash and cash equivalents	**4 407**	**7 987**

The company has assessed the different cash flow scenarios according to the level of activity, as well as the possible sources of financing, to ensure that none of these scenarios call into question the continuity of the activities of the company for the coming year.

Note 14. Long-term borrowings and financial liabilities

A loan of €650 thousand was contracted with BNP Paribas on January 12th, 2018 to finance the works in the new premises.

in thousands of Euros		
Position at the beginning of the period		0
Loan contracted on January 12, 2018		650
Repayment of loans		32
End position of the period		618
	Less than one year	128
	from 1 to 5 years	489
	to + 5 years	

The Hipay SAS (2015, 2016 and 2017) research tax credit receivables were financed for € 1 914 thousand representing 95% of the receivables. These receivables remain in the assets of the company.

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
Financing of the research tax credit	1 914	1 161

Note 15. Other debts and current liabilities

in thousands of Euros	June 30th, 2018	Dec 31st, 2017 published
Tax and social liabilities	3 497	3 813
Prepaid income	48	-
Other liabilities	40 801	39 210
Other current liabilities	**44 345**	**43 023**

All other debts mature at under one year.

The tax and social security liabilities item primarily consists of VAT debts and debts to social institutions.

The other debts are notably comprised of the financial commitments arising from the issuance of electronique money and from the ongoing payouts from merchant sites using the payment platform (see Note 12 Other current assets).

Note 16. Off-balance sheet commitments

16.1. Commitments received

The Mobiyo SAS sale agreement includes the payment of a price supplement of a maximum value of € 3 million, based on the revenue generated in 2018, 2019 and 2020.

The estimate of the additional amount of € 2 million is recorded in the accounts (see note 10).

There is therefore an off-balance sheet commitment received up to the difference, thus 1 million euros.

16.2. Commitments given

As part of the sale of Mobiyo SAS, the group has granted a liability guarantee to GibMedia SAS. This liability guarantee is capped at 30% of the price paid, and will expire on December 31st, 2020.

As of December 1st, 2017, the HiPay Group moved its head office to a building whose principal lessee is BJ Invest SAS. This sublease contract has a fixed term of 6 years.

16.3. Claims

In previous years, Group companies were subject to tax audits. Some rectification proposals have been challenged and may be subject to litigation. For the most part, these adjustments have not been subject to provisions in the accounts to the extent that the Company justifies its position and considers that it has serious chances of success in the litigation.

Note 17. Transactions between related parties

17.1. Compensation of the members of the management bodies

Compensations corresponds to the remuneration paid to the Group's corporate officers:

	June 30th, 2018		Dec 31st, 2017 published	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Grégoire Bourdin, CEO				
Period				
Fixed remuneration	100 000	100 000	200 000	200 000
Variable remuneration		27 000**	50 000	-
Exceptionnel remuneration			-	-
allowance			-	-
fringe benefits*		6 954*	18 544	18 544
Total		**133 954**	**268 544**	**218 544**
Gabriel de Montessus, ex-DG				
Period				
Fixed remuneration			-	-
Variable remuneration			-	40 000
Exceptionnel remuneration			-	726 758
allowance			-	-
fringe benefits*			-	-
Total	-		-	**766 758**

* guaranteed loss of employment, vehicle and additional retirement
** variable compensation paid in 2018 for the 2017 financial year

Only independent members of the Board of Directors receive attendance fees. The amount authorized by the Shareholders' Meeting of May 2nd, 2016 and to be distributed in respect of the 2016 and 2017 financial years amounts to €40 K per year provided that the composition of the Board of Directors complies with Article L225-18-1 of the French Commercial Code. This envelope was maintained for the financial year 2018. Nevertheless, to date, the composition of the board of directors is not in accordance with Article L225-18-1 of the Commercial Code, the payment of directors' fees is suspended.

17.2. Other related parties

On December 1st, 2017, the HiPay Group moved its head office into a building whose principal lessee is BJ Invest SAS. This agreement was authorized by the Board of Directors at its meeting of August 31st, 2017. The annual rent amounts to €799 thousand (excluding charges). At June 30th, 2018, the expense related to BJ Invest SAS amounted to €400 thousand.

The HiPay Group is also related to BJ Invest SAS by payroll services. This expense amounted to € 13 thousand the first half of 2018.

A payment service agent agreement has been concluded between HiPay SAS and Mobiyo. Mobiyo's activity of providing an operator-based payment solution requires the support of a payment service provider whose activity is regulated, while the commercial and technical service is provided directly by Mobiyo to its customers.

17.3. Transactions with subsidiaries

HiPay Group SA invoices its subsidiaries for management fees, which are eliminated in the consolidated financial statements.

HiPay SAS charges Group companies :

- assistance in the areas of management control and tax and social accounting,
- re-invoicing of technical personnel,
- re-invoicing of IT developments,

which are then eliminated in the consolidated financial statements.

Note 18. Events occured since the closing

None